

## Remarks / Arguments

### Claim Rejections – 35 U.S.C. § 102

Applicant submits that the Position Cost Averaging (PCA), cited in the last Office Action, does not affect the novelty of the invention disclosed in Application because Application teaches a method and process that is distinctly different and/or goes beyond that which is taught by PCA. Office Action stated that PCA teaches the limits of Application Independent Claims 13, 17, and 21.

Application is distinct from the reference because it discloses a method and system performing multiple remote transactions per single local entry, whereas the reference performs no transactions. Claim 13(d) teaches a method in which “the host computer system carries out the securities exchange order through a transacter to buy or sell the at least one named security and, upon transaction confirmation, reenters a reverse order for the at least one named security at the change in price specified by the initiated securities exchange order, *such that the securities exchange order does not require manual reentry.*” (Emphasis added). Application teaches a method for one manual entry resulting in at least two transactions without a second manual entry. Amended Claims 17(f) and 21(f) teach a similar method and system.

Unlike Application, the reference, the Position Cost Averaging (PCA) System, discloses a system that does not perform transactions. Based on the Office Action’s cited articles and webpages, it is clear that PCA does not buy and sell the stocks for the user. Office Action cites an article about PCA that states, “It seems that with the volatility of Internet stocks, many people are using our system to grind out profit automatically in the short-term” and that “The PCA System is not rocket science, it’s simply programmed to buy low and sell high.” See “Market

Volatility has Investors Scrambling for New Techniques, Says Stocksystem.com Inc.,” *Business Wire*, April 8, 2000. All that the PCA System does is select the range for high and low selling and buying for the user, “automatically”, because it tracks the ebbs and flows of the stock for the user.

Further online research turned up additional articles and webpages supporting the limitations of the PCA System. These additional descriptions of the PCA System describe that the invention is not automated, nor does it perform transactions to purchase or sell securities for the user. “Tracking your stocks in the PCA System, will alert you to every profit taking opportunity, and signal when the time is right to lower your cost per share.” See “How to Make Money When Your Stocks Are Going Up and Down!,” D&P Software, accessed online at: <http://www.dpsoft.com/pca.htm>. “According to the company’s newsletter: ‘Position Cost Averaging is a spreadsheet program that will run in many popular formats such as: Microsoft Excel, Microsoft Works, Quattro Pro, and Excel for Macintosh.’” “Trading Software Released for the Mac [1:23 PM],” The Mac Observer, Sept. 1998, accessed online at <http://www.macobserver.com/archive/1998/september.shtml>. Applicant submits the attached Information Disclosure Statement citing the two aforementioned websites to be considered by the Office. PCA discloses a system that monitors stocks and gives advice about highs and lows in lieu of expensive investment counseling. What the user actually does with said advice is beyond the teachings of PCA.

For the aforementioned reason that Application teaches a system and method for performing transactions to buy and/or sell securities, and the referenced PCA System does not perform any such transactions, the Application is distinct and overcomes Office Action’s objection to the disclosed invention under 35 U.S.C. § 102.

Application is distinct from the reference because Application teaches a method and system for performing at least one cycle of a transaction, whereas the reference teaches a system that does not perform any transaction. Amended claim 13(e) discloses a method for one manual entry resulting in at least one cycle, said cycle including a buy and sell order. The claim limitation “at least one cycle” teaches a method for one manual entry resulting in many cycles. Amended claims 17(g) and 21(j) teach a similar system and method.

The PCA System, as stated above, teaches a system that does not perform any transactions to purchase or sell securities for user. PCA discloses a system that monitors stocks and gives advice about highs and lows in lieu of expensive investment counseling. What the user actually does with said advice is beyond the teachings of PCA. Thus, the PCA System cannot perform at least one cycle of a transaction as is taught by Application.

For the aforementioned reason that Application teaches a system and method for performing at least one transaction cycle, in which a cycle is one buy and one sell of a security, and the referenced PCA System does not perform any such transactions, the Application is distinct and overcomes Office Action’s objection to the disclosed invention under 35 U.S.C. § 102.

Application is distinct from the reference because the reference teaches a system that selects the high and low transaction limitations for user, whereas Application teaches a method and system that does not determine amounts to be transacted. Claim 13(c) teaches a method for “initiating a securities exchange order comprising instructions to sequentially buy or sell ... a limit price or current market price ... and a change in price for a follow-on sell transaction.” Application does not teach a method for selecting a particular security, number of shares, or buy

or sell price. Amended claims 17 and 21, likewise, do not teach such a method or system.

The PCA System teaches a system that “will tell you exactly how many shares to buy if the price goes down, and how many shares to sell if the price goes up.” See “How to Use Position Cost Averaging To Balance the Risks of The Financial Markets,” [www.position-cost-averaging.com](http://www.position-cost-averaging.com) (2000). PCA discloses a system that monitors stocks and gives advice about highs and lows in lieu of expensive investment counseling. What the user actually does with said advice is beyond the teachings of PCA.

For the aforementioned reason that Application does not teach a system or method for selecting a security, determining number of shares, or selecting a purchase or sell price, and the referenced PCA System teaches a system for determining number of shares and selecting a purchase and sell price for user, the Application is distinct and overcomes Office Actions’ objection to the disclosed invention under 35 U.S.C. § 102.

For the aforementioned reasons, Application is distinct from referenced PCA System because Application performs multiple transactions per single manual entry, performs at least one cycle of transactions per single manual entry, and does not determine for user the security, number of shares, or price for purchase and sale, whereas the PCA System does not perform any transactions and it teaches a system for determining the number of shares and purchase and sale price of a given security for the user. Application therefore overcomes Office Action’s objection to the disclosed invention under 35 U.S.C. § 102.

#### **Claim Rejections – 35 U.S.C. § 103(a)**

Applicant submits that the PCA System, referenced in the last Office Action, does not

make obvious the invention disclosed in Application. The last Office action states that “[i]t would have been obvious . . . to implant these features to enable the investor to have better flexibility and control to suit his individual preferences.” Application is not made obvious by prior art because it does not teach merely an automation of a manual process nor is Application a combination of an existing investment strategy with existing securities transaction methods because Application embodies no part of any investment strategy.

Application is not obvious because it discloses a method and system that eliminates human error. Claim 13(d) teaches a method for linking a buy order to a sell order so that one manual entry results in multiple transactions. By linking the purchase and sale of a given security, transactions will be executed without human error of entering transactions erroneously ordered, missing a purchase or sell price in the market, or changing the purchase or sell price of a transaction based on negative external influences. Linking the purchase and sale of a given security provides the benefit of disciplined transacting. First, linking the purchase and sale of a given security ensures that the purchase will be executed prior to the sell transaction. Second, linking the purchase and sell price ensures that two transactions will be executed without a second manual entry, thereby allowing user to leave the presence of his computer and know that when the stock reaches the specified price, the securities will be sold. Third, linking the purchase and sell price of a security ensures that the purchase and sale of said security is a disciplined activity, thereby eliminating the effect of a user waiting and waiting in hopes that his falling security will rise again instead of just selling. Claims 17 and 21 teach a similar method and system.

Prior art and current art in the field disclose systems and methods which do not link a buy

and a sell order. First, because the buy and sell orders are not linked in prior and current art, a user could erroneously enter a sell order before entering a buy order, resulting in a profit of \$0.00 and incurring two transactional charges from host securities broker system, thus a negative net profit. Second, a user could erroneously miss the price at which he wishes to sell his securities because he is away from the computer or because the security spikes and falls faster than user can order a sell transaction, thereby losing money. Third, when user is in control of the time for purchasing and selling a given security, he is likely to be persuaded to wait longer or sell earlier than he initially intended. Particularly where a stock is falling, user may be easily persuaded by false hopes or erroneous external advice to wait and thus lose more money.

For the aforementioned reason that Application teaches a system and method for linking a purchase and sell order of a given security, and the prior and current art in the field disclose systems and methods whereby at most a single manual entry by user results in a single transaction allowing for human error and lost profit, the Application is nonobvious and overcomes Office Action's rejection of Application's claims under 35 U.S.C. § 103.

Application is not obvious because it discloses a method and system that performs multiple automatically executing transactions, thereby relieving a user of the need to watch a security constantly. Claim 13(d) teaches a method in which "the host computer system carry out the securities exchange order through a transacter to buy or sell the at least one named security and, upon transaction confirmation, reenter a reverse order for the at least one named security at the change in price specified by the initiated securities exchange order, ***such that the securities exchange order does not require manual reentry.***" (Emphasis added). Application teaches a method for one manual entry of one or multiple sets of transaction parameters (purchase price,

sale price, quantity, and cycles) that may result in one or more transactions of the same or varying parameters without a second manual entry. Application is not the automation of a single transaction of fixed characteristics so that it may be repeated multiple times, nor is it the automation of the process of a single investor monitoring multiple stocks and making transactions when characteristics are favorable. Application teaches a new capability: Multiple transactions of varying characteristics may be executed once the initial purchase price, sale price, quantity, and cycle parameters are set without any further time spent monitoring by the investor. Amended Claim 17(f) and 21(f) teach a similar method and system.

Prior art and current art in the field disclose systems and methods whereby one manual entry results in one transaction; either one buy or one sell order. The resulting time expenditure of a one entry to one transaction ratio is quite large and requires user to be at a host computer to manually enter each and every transaction.

For the aforementioned reasons that Application teaches a system and method for a single manual entry resulting in multiple transactions, and the prior and current art in the field disclose systems and methods whereby at most a single manual entry by user results in a single transaction, the Application is nonobvious and overcomes Office Action's rejection of Application's claims under 35 U.S.C. § 103.

Application is not obvious because it discloses a method and system that performs multiple transactions simultaneously such that could not be done by a human. Amended claim 13(e) discloses a method for one manual entry resulting in at least one cycle, said cycle including a buy and sell order. The claim limitation "at least one cycle" teaches a method for one manual entry resulting in many cycles. In addition to one manual entry resulting in multiple transactions

over a period of time, which may be limited by selecting a number of cycles, multiple transactions for a number of securities may take simultaneously once the initial limitations are entered for each of said security. Amended claims 17(g) and 21(j) teach a similar system and method.

As stated above, prior art and current art in the field disclose systems and methods whereby one manual entry to buy or sell a security results in one transaction to either buy or sell said security. Even if a user could perform individual transactions as quickly as is disclosed by Application, by utilizing a high-speed internet connection and fast central processing unit, for argument sake only, a single user could not perform individual transactions for multiple securities at the same time. Based on the current art, a single user may buy *or* sell *one* specified security, notwithstanding the number of shares, at a given time. A single user is unable to buy and sell one specified security in one manual entry. A single user is unable to either buy or sell more than one specified security in one manual entry. Technology assumes that current art meets the deficiencies or inefficiencies of prior art, therefore the same limitations of the current art may be used to describe the limitations of the prior art.

For the aforementioned reason that Application teaches a system and method for a single manual entry resulting in multiple transactions that may be executed simultaneously, and the prior and current art in the field disclose systems and methods whereby at most a single manual entry by user results in a single transaction and simultaneous transactions for multiple securities is not possible by a single user, the Application is nonobvious and overcomes Office Action's rejection of Application's claims under 35 U.S.C. § 103.

For the aforementioned reasons, Application is not made obvious by the prior art in the

field because Application eliminates human error in performing transaction of securities, performs multiple automatically executing transactions per manual entry, and performs multiple transactions simultaneous such that cannot be done by a single user. Application therefore overcomes Office Action's rejection of claims under 35 U.S.C. § 103.

### **Conclusion**

For the above reasons, the Applicant submits that the invention is novel and nonobvious. Applicant teaches an invention that is not taught by PCA System. Applicant submits that Application overcomes the Office Action's rejection under 35 U.S.C. § 102 and 35 U.S.C. § 103(a).

Respectfully,



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